

Department of Defense Strategic Supplier Alliance Relationship With Honeywell (nee AlliedSignal)



Briefing to SPI
Executive Council

13 December 1999

The Alliance Review Process

**DoD/Supplier Senior Executive
Review and Endorsement**



**Strategic Supplier Alliance
Senior Steering Group**

DLA

DCMC

DCAA

Legal

IG

OSD

Air Force

Army

Navy

Honeywell

* DoD/Supplier co-chair board leadership



Rapid Improvement Teams

Catalog

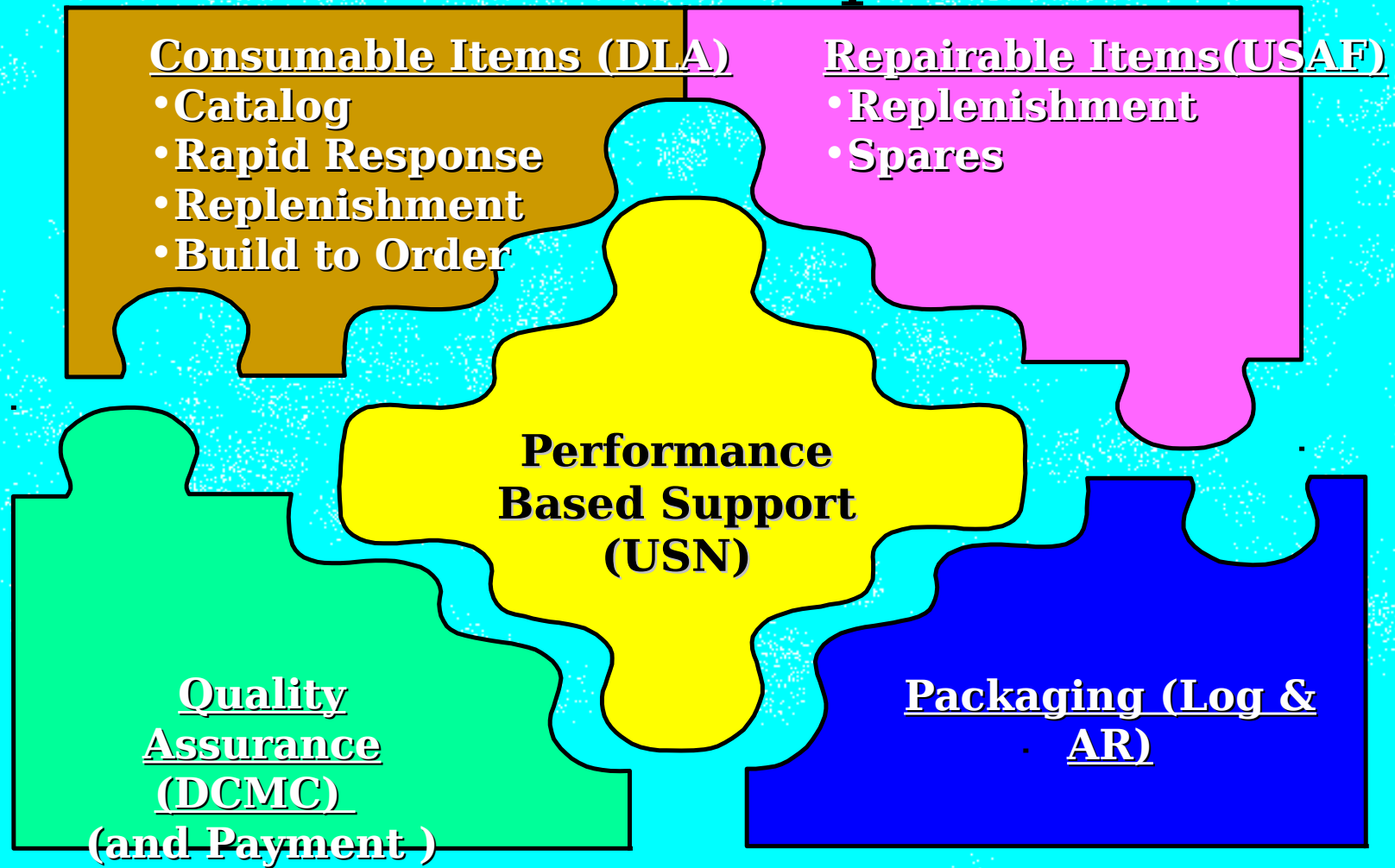
Replenishment

Rapid Response-
Build to Order

Repairables

The DoD Strategic Alliance

Partnership



Building the Foundation Elements applicable to all DoD Allia

RIT Continuum of Alliance Support

DoD Commercial Packaging Pilot Program at AlliedSignal and General Electric (5/99)

- Empowers Industry Packaging Specialists to find, test, and implement innovative packaging practices for military goods
- Industry-Government Team monitors success and shares lessons learned DoD wide

Strategic Supplier Alliance (DLA-AlliedSignal) (6/99)

- Developed standard, yet innovative and flexible guidelines to facilitate strategic supplier alliances
- Moves DoD from transaction-based relationships to strategic portfolio management
- Leveraged DoD buying power and commercial markets for cost-effective solutions

Strategic Supplier Alliance (AFMC-AlliedSignal) (10/99)

- Developed standard methodology and guidelines to support contractor depot maintenance of secondary items
- Developed, staffed, and crafted tri-service contractual framework during two, 2-day engagements.
- Provides single face to industry for traditional maintenance (Phase I), and growth path for Phase II & III

Strategic Supplier Alliance (Quality Assurance) (12/99)

- Improves approach to quality assurance with selected major suppliers
- Will eliminate unnecessary source inspection and develop alternative methods of assuring quality
- Will adopt best business practices with acceptable risk, decreased response times, decreased administrative costs, and no negative impact to product quality

Strategic Supplier Alliance (Performance-Based Contracts) (TBD)










- Capitalizes on ongoing USN-AlliedSignal APU efforts
- Will develop a template to migrate towards performance /reliability improvement based contracts
- Provides refined guide to supports all major suppliers and may support Phase II AFMC repair efforts

DoD-wide SSA Deployment

1. Expand pilot testing with AlliedSignal to Fall '99
Air Force (Army and Navy to follow in '00)
2. Identify, Prioritize and Qualify remaining 2nd Qtr FY00
top DoD key suppliers, Establish
scorecards and set alliance goals with each
key supplier.
3. Monitor and measure roll-up of initial 3rd Qtr FY00
strategic supplier program results

***Key Products: Detailed Strategic Alliance Users
Guide &
DLA-AlliedSignal Strategic Alliance**

Achieving Results - Major Milestones

Action	1999							2000					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
SSA-(Honeywell/DLA) Consumable Items Catalog • 40 Items Replenishment • 100 Items Rapid Response • 50 Items SSA- (Honeywell/AFMC) Repairs/Spares • 450 Initial Items (71 repairs/378 spares)	 RIT 1 June	 RIT 2,3 July		 RIT 4 Sept Launch			Next progress review is 15 December		 Contract Award				
					 RIT 1 Oct	 RIT 2 Nov			 Contract Award				
									 Contract Award				 Contract Award

• Additional items to follow